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Japan

Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

2001

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Report Highlights: A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue's highlights include: overall sales of *Japan Chain Store Association* member supermarkets declined 5.5% in April 2001, compared to the same month last year; the quantity of imported wine in Jan-Feb 2001 increased 29.1% compared to last year; in fiscal year 2000 total consumption of cheese reached a record high of 259,576 tons, a 6.6% increase compared to the previous fiscal year.

Includes PSD changes: No
Includes Trade Matrix: No
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Wholesale/Retail

- According to the *Japan Chain Store Association* and *Japan Department Store Association*, overall sales of member supermarkets declined 5.5% in April 2001, compared to the same month last year, which is the 29th consecutive month of decline. On the other hand, department store sales increased 0.02%, which was the first increase in 7 months. (a 5/25)

Food Service

- According to the *Japan Food Service Association*, the number of customers for member companies increased 3.5% in April compared to same month last year. It was the first increase since February 2000. The main factor behind the increase is said to be the effect of *Yoshinoya D&C*'s discount sales of its popular *gyudon* grilled beef rice bowls. (a 5/25)

Food Processing/New Products/Market Trends

- According to Japan's Management and Coordination Ministry, Japan's Engel Coefficient was 23.1% in 2000, which is the lowest in history. This is mainly due to a declining number of family members and less food expenditures in households. Japan's Engel Coefficient has been declining since it was first introduced in 1963. (a 5/14)
- The quantity of imported wine in Jan-Feb 2001 increased 29.1% compared to last year. Imports of fruit wine also increased 15.5%. (*Shokuryo Jyokai Shimbun* newspaper 5/14)
- *Asahi Beverage* and *Kagome* will cooperate in the area of production and sales of soft drinks. Starting in June, *Kagome*'s fruit-and-vegetable mixed juice will be sold in *Asahi*'s vending machines nationwide. *Asahi* will stop selling its own mixed juice brand. (a 5/15)
- According to Japan's Agriculture Ministry, in fiscal year 2000 total consumption of cheese reached a record high of 259,576 tons, a 6.6% increase compared to the previous fiscal year. An increase in natural cheese imports was the main growth factor. (e 5/16)
- *Q.P. Corporation* extended the shelf life of its cut packaged vegetable product "Salad Club" to four days. *Q.P.* succeeded in replacing the air inside the package with nitrogen, which keeps the vegetables fresh for an extra two days. (a 5/24)
- According to Japan's Management and Coordination Ministry, the consumer price index for May was 100.6 (excluding fresh food,) a 0.9% decline compared to the same term in 2000, and the 20th consecutive month of decline. (a 5/25)
- The Japan's Health, Labor, and Welfare Ministry (MHLW) announced on May 24 that the *National Medicine and Food Sanitation Research Institute* had detected an unapproved GM variety of potato from *House Foods*' snack food product "O'Zack." The MHLW informed *House Foods* to recall the product due to this violation of the Food Sanitation Law. (a 5/25)

ATO/Cooperator/Competitor Activities/Trade Shows

- The *Italian Trade Agency* and the *Italian Trade Promotion Council* will hold an "Italian Technology Fair" at the Tokyo Big Sight on May 19-24. Food packaging machinery and refrigeration equipment will be introduced in the food section. (b 5/12)
- On April 6, the *California Walnut Commission (CWC)* announced the basic outline of its marketing concept for the 21st century: "Project 21." "Project 21" is a large-scale promotional campaign, selecting Japan's Tohoku region (Northeast) as its model area of marketing in Japan. CWC also recruited applicants for the 12th California Walnut Recipe Contest. (e 5/14)
- On May 9th, the South African Embassy held a lunch conference at the Ambassador's Residence promoting its first large-scale food and culture fair entitled "South African Experience-Quality of Excellence," that is to be held on May 23-June 2 at the Tokyo Hilton Hotel. (c 5/16)

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| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |

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